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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

## LOK SABHA

The following Bill was introduced in the Lok Sabha on 23rd December, 2005:—

BILL No. 165 OF 2005

*A Bill further to amend the Electricity Act, 2003.*

BE it enacted by Parliament in the Fifty-sixth Year of the Republic of India as follows:—

1. (1) This Act may be called the Electricity (Amendment) Act, 2005.

Short title and  
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. For section 6 of the Electricity Act, 2003 (hereinafter referred to as the principal Act), the following section shall be substituted, namely:—

Substitution of  
new section for  
section 6.

"6. The concerned State Government and the Central Government shall jointly endeavour to provide access to electricity to all areas including villages and hamlets through rural electricity infrastructure and electrification of households."

Joint  
responsibility  
of State  
Government  
and Central  
Government in  
rural  
electrification.

Amendment of  
section 38.

3. In section 38 of the principal Act, in sub-section (2), in clause (d),—

- (i) in the second proviso, the words "and eliminated" shall be omitted;
- (ii) the third proviso shall be omitted.

Amendment of  
section 39.

4. In section 39 of the principal Act, in sub-section (2), in clause (d),—

- (i) in the second proviso, the words "and eliminated" shall be omitted;
- (ii) the third proviso shall be omitted.

Amendment of  
section 40.

5. In section 40 of the principal Act,—

- (i) in the second proviso, the words "and eliminated" shall be omitted;
- (ii) the third proviso shall be omitted.

Amendment of  
section 42.

6. In section 42 of the principal Act, in sub-section (2),—

- (i) in the first proviso, for the words "such open access may be allowed before the cross-subsidies are eliminated on payment of a surcharge", the words "such open access shall be allowed on payment of a surcharge" shall be substituted;
- (ii) in the third proviso, the words "and eliminated" shall be omitted.

Amendment of  
section 61.

7. In section 61 of the principal Act, for clause (g), the following clause shall be substituted, namely:—

"(g) that the tariff progressively reflects the cost of supply of electricity and also reduces cross-subsidies in the manner specified by the Appropriate Commission;"

Substitution of  
new section for  
section 151.

8. For section 151 of the principal Act, the following section shall be substituted, namely:—

Cognizance of  
offences.

"151. (1) No prosecution shall be instituted against any person for any offence punishable under this Act except at the instance of the Appropriate Government or Appropriate Commission or any of their officer authorised by them or a Chief Electrical Inspector or an Electrical Inspector or licensee or the generating company, as the case may be.

(2) For the purposes of investigation of any offence punishable under this Act, the police shall have powers as available under the Code of Criminal Procedure, 1973.

(3) The cognizance of the offence under this Act shall not in any way prejudice any action under the provisions of the Indian Penal Code:

2 of 1974.

45 of 1860.

Provided that the court may also take cognizance of an offence punishable under this Act upon a complaint in writing made by the Appropriate Government or Appropriate Commission or any of their officer authorised by them or a Chief Electrical Inspector or an Electrical Inspector or licensee or the generating company, as the case may be:

Provided further that a special court constituted under section 153 shall be competent to take cognizance of an offence under section 135 to section 138 (both inclusive) without the accused being committed to it for trial."

Amendment of  
section 176.

9. In section 176 of the principal Act, in clause (2), in clause (b) for the brackets and words "(including the capital adequacy, credit worthiness or code of conduct)", the words "relating to the capital adequacy, credit worthiness or code of conduct" shall be substituted.

**10. In section 178 of the principal Act, in sub-section (2),—**Amendment of  
section 178.

(i) in clause (k), the words "and elimination" shall be omitted;

(ii) in clause (m), the words "and elimination" shall be omitted;

(iii) for clause (r), the following clause shall be substituted, namely:—

"(r) the manner for reduction of cross-subsidies under clause (g) of section 61;".

**11. In section 181 of the principal Act, in sub-section (2),—**Amendment of  
section 181.

(i) in clause (j), the words "and elimination" shall be omitted;

(ii) in clause (m), the words "and elimination" shall be omitted;

(iii) in clause (p), the words "and elimination" shall be omitted;

(iv) for clause (zc), the following clause shall be substituted, namely:—

"(zc) the manner of reduction of cross-subsidies under clause (g) of section 61;".

## STATEMENT OF OBJECTS AND REASONS

The law relating to generation, transmission, distribution, trading and use of electricity is contained in the Electricity Act, 2003. The Act has been reviewed by the Government as per the commitment made by it in the National Common Minimum Programme and in view of the concern expressed by a number of States. It is proposed to amend the Act to give effect to certain changes as have been considered necessary.

2. Section 6 of the Act provides that the appropriate Government shall endeavour to supply electricity to all areas including villages and hamlets. There has been a concern that the onus of rural electrification has been put only on the State Government. It is proposed to amend section 6 so as to provide that the concerned State Governments and the Central Government shall jointly endeavour to provide access to electricity to all areas including villages and hamlets through rural electricity infrastructure and electrification of households.

3. Sections 38, 39, 40, 42, 61, 178 and 181 of the Act, *inter alia*, provide for reduction and 'elimination' of cross-subsidies. There have been a concern that though the cross-subsidies may be reduced but elimination of such subsidies may not be feasible for the present. It is, therefore, proposed to amend the said sections so as to do away with the 'elimination' of cross-subsidies. However, reduction of cross-subsidies will continue.

4. As per the provisions contained in section 151 of the Act, the offences relating to theft of electricity, electric lines and interference with meters are cognizable offences. Concerns have been expressed that the present formulation of section 151 stands as a barrier to investigation of these cognizable offences by the police. It is proposed to amend section 151 so as to clarify the position that the police would be able to investigate the cognizable offences under the Act. To expedite the trial before the special courts, it is also proposed to provide that a special court shall be competent to take cognizance of an offence without the accused being committed to it for trial.

5. The Bill seeks to achieve the above objects.

NEW DELHI;

PRIYARANJAN DASMUNSI.

The 20th December, 2005.

### FINANCIAL MEMORANDUM

Clause 2 of the Bill seeks to substitute section 6 of the Electricity Act, 2003 relating to obligations of appropriate Government to supply electricity to rural areas. The proposed new section 6 seeks to provide that the concerned State Government and the Central Government shall jointly endeavour to provide access to electricity to all areas including villages and hamlets through rural electricity infrastructure and electrification of households.

2. The Bill, therefore, if enacted and brought into operation would involve expenditure from the Consolidated Fund of India. It has been estimated that the Rajiv Gandhi Grameen Vidyutikaran Yojana (with an outlay of Rs. 16,225 crores) would have a subsidy component of Rs. 14,750 crores, to be funded from the Consolidated Fund of India in two phases. Phase-I of this scheme has begun from the financial year 2005-2006 with a sanction of Rs. 5,000 crores of subsidy from the Consolidated Fund of India.

3. It is estimated that no other expenditure, both recurring or non-recurring nature from the Consolidated Fund of India, would be involved.

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P.D.T. ACHARY,  
*Secretary-General.*